

Diamondback Energy, Inc.
Form 8-K
December 04, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): November 28, 2017

DIAMONDBACK ENERGY, INC.

(Exact Name of Registrant as Specified in Charter)

| | | |
|--|--------------------------|---|
| Delaware | 001-35700 | 45-4502447 |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification Number) |

500 West Texas
Suite 1200

Midland, Texas
(Address of principal
executive offices)

79701
(Zip code)

(432) 221-7400

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Item 1.01. Entry into a Material Definitive Agreement.

On November 28, 2017, Diamondback Energy, Inc. (“Diamondback”), as parent guarantor, Diamondback O&G LLC, as borrower (the “Borrower”), and certain other subsidiaries of Diamondback, as guarantors, entered into a fifth amendment (the “Fifth Amendment”) to the Second Amended and Restated Credit Agreement, dated as of November 1, 2013, with Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto (as amended, supplemented or otherwise modified to the date thereof and as further amended by the Fifth Amendment, the “Credit Agreement”).

The Fifth Amendment extended the maturity date to November 1, 2022, and decreased the interest rates applicable to loans under the Credit Agreement. After giving effect to the Fifth Amendment, outstanding borrowings under the Credit Agreement bear interest at a per annum rate elected by the Borrower that is equal to an alternate base rate or LIBOR, in each case plus the applicable margin. The applicable margin ranges from 0.25% to 1.25% per annum in the case of the alternate base rate, and from 1.25% to 2.25% per annum in the case of LIBOR, each of which applicable margin rates is increased by 0.25% per annum if the total debt to EBITDAX ratio is greater than 3.0 to 1.0. The applicable margin depends on the amount of the loan outstanding in relation to the commitment, which is defined as the least of the maximum credit amount, the borrowing base and the elected commitment amount. In the Fifth Amendment, the aggregate maximum credit amount was increased to \$5.0 billion, the borrowing base was increased to \$1.8 billion, and the Borrower elected a commitment amount of \$1.0 billion.

In addition, the Fifth Amendment, among other things, (i) increased the mortgage requirement to 85% of the total value of the oil and gas properties evaluated in the most recent reserve report, (ii) revised the calculation of the total debt to EBITDAX financial covenant to allow the netting of unrestricted cash in the calculation of total debt under certain circumstances, (iii) reduced the frequency of scheduled borrowing base redeterminations from semi-annually to annually in certain circumstances, (iv) removed the cap on the amount of additional indebtedness allowed in the form of unsecured senior or senior subordinated notes, and (v) amended certain other negative covenants.

The preceding summary of the Fifth Amendment is qualified in its entirety by reference to the full text of such amendment, a copy of which is attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 above is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

| Exhibit Number | Description |
|----------------|---|
| 10.1 | <u>Fifth Amendment to the Second Amended and Restated Credit Agreement, dated as of November 28, 2017, by and among Diamondback Energy, Inc., as parent guarantor, Diamondback O&G LLC, as borrower, certain other subsidiaries of Diamondback Energy, Inc., as guarantors, Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto.</u> |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DIAMONDBACK ENERGY, INC.

Date: December 4, 2017

By: /s/ Teresa L. Dick

Name: Teresa L. Dick

Title: Chief Financial Officer, Executive Vice President and Assistant Secretary